Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1 [redacted] 44 25X1

CENTRAL INTELLIGENCE AGENCY
National Foreign Assessment Center
30 October 1978

INTELLIGENCE MEMORANDUM

Korea and the Major Powers

Key Judgments

-- *China and the USSR have an important stake in maintaining stability on the Korean peninsula. In recent years neither has demonstrated much enthusiasm for North Korean President Kim Il-song's ambitions to reunify the peninsula on his own terms.*

-- *Kim Il-song, in seeking to strengthen and preserve North Korea's independence of action, has tried to exploit the mutual antagonism between China and the USSR, but with little success. China has had the inside track since the early 1970s, and Moscow has shown little inclination to compete with Peking for Kim's favor.* [redacted] 25X1

[redacted] 25X1

-- *Nevertheless, recent Soviet gains along China's periphery, particularly in Vietnam, and Soviet gestures toward Pyongyang*

This memorandum was prepared by the East Asia-Pacific Division of the Office of Regional and Political Analysis. Questions and comments may be addressed to [redacted] 25X1

25X1

RPM 78-10403C

[redacted]

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1 Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

early this year have prompted Peking to reaffirm publicly its support for Kim Il-song.

25X1 [redacted] 25X1

-- *Japan, for its part, has moved gradually in the past few years to strengthen its ties with South Korea. Prime Minister Fukuda has indicated his desire for a summit with President Pak late this year. There is mounting recognition in Tokyo that Japan has a diplomatic role to play in the search for a more stable political environment on the peninsula.*

-- *As the principal element of change, the US plan to withdraw its ground forces from South Korea will be closely watched by all the major players on the scene. Despite misgivings about the slow pace and partial scope of the US withdrawal, Kim Il-song keenly wishes to see the US troops go. He has thus avoided actions that might jeopardize the pullout.*

-- *What worries Kim Il-song is the possibility of the major powers that might impose a Korean settlement as is evident in Pyongyang's attacks on various proposals for "two Koreas" and for "cross recognition." The recently concluded Sino-Japanese Peace and Friendship Treaty and the growing convergence of interests between China and the US--coming at a time when North Korea's dependence on Peking is increasing--are certain to intensify these fears.*

-- *The rivalry between China and the USSR limits the extent to which either is prepared to restrain the North Korean leader. Peking and Moscow have made clear that their participation in multilateral talks on the future of the Korean peninsula will be subject to North Korea's acceptance.*

Reluctant Treaty Allies

In recent years China and the USSR have demonstrated little enthusiasm for Kim Il-song's efforts to reunify the Korean peninsula on his own terms. In an unusual

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3 25X1

25X1 Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

convergence of interests, both the Chinese and Soviets have an important stake in maintaining the status quo in Korea. A major conflict there would seriously complicate each country's bilateral relations with the US, stimulate possible major changes in Japanese security policy, and introduce new uncertainties into the overall power balance in East Asia.

China and the USSR are Pyongyang's treaty allies and traditional military suppliers. Both publicly support North Korea's call for a withdrawal of US forces from South Korea. When tension on the peninsula increases, however, they seek to dissociate themselves from Kim Il-song's more rash actions--as demonstrated in the wake of the North Korean slayings of American soldiers in Panmunjom in 1976. They view the US security commitment to Seoul as a useful ingredient in the mix of factors that keep peace on the peninsula and restrain Japanese impulses toward rearmament.

Kim is well aware that China and the USSR subordinate North Korean ambitions to their own broader strategic interests. In seeking to strengthen and preserve North Korea's independence of action, he has tried to exploit the mutual antagonism between China and the USSR. He has had little success. Moscow has shown little inclination to compete with Peking for Kim's favor, and China has had the inside track since the early 1970s.

Kim's efforts to schedule a Moscow visit to balance his highly publicized trip to Peking in 1975 have been turned aside. Informal contacts between the Soviet Union and South Korea have continued despite Pyongyang's protests. Moscow has not volunteered to ease Pyongyang's financial plight by providing hard-currency aid. Weary of North Korea's repeated failure to meet bilateral trade commitments, the Soviets have retaliated by reducing their own exports. More important, North Korea apparently has been cut off for several years from advanced Soviet weapons of the type that Moscow has routinely provided to a number of other clients.

25X1 [redacted]

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1 Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

Muted Rivalry Persists

Late last year the Soviets evidently perceived some slackening in Sino-North Korean ties and decided that additional effort on their part was in order. They presumably were aware of the notable absence of high-level Chinese contacts with North Korea in the months following Mao's death in September 1976.

In January 1978 Soviet Politburo member Kunayev visited Pyongyang to award Kim Il-song the Order of Lenin. Although Kunayev admittedly is not a heavyweight on the Politburo, he is the first Soviet official of that rank to visit Pyongyang since 1971 when relations were distinctly warmer. North Korea, with characteristic disdain, discounted the significance of the event by noting that the medal had originally been awarded in 1972 on Kim's 60th birthday.

The Soviet maneuvering did not go unnoticed in Peking. Moreover, the Chinese leadership probably wishes to secure its eastern flank against what Peking characterizes as Moscow's policy of "encirclement." There is little doubt that Soviet gains this year along China's periphery, particularly in Vietnam, gave an additional impetus to Peking's emerging anti-Soviet diplomatic offensive.

25X1

China moved last May to reaffirm publicly its support for Kim Il-song. Hua Kuo-feng, in his first trip abroad as China's party chief, explicitly endorsed Kim Il-song's regime as the sole legitimate government of Korea. Although Hua also backed Pyongyang's demand for a withdrawal of US forces from South Korea, he did not stipulate any timetable.

[redacted]

25X1

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1

25X1

North Korea has responded to the Hua visit by more openly endorsing China's position on a range of international issues. Most significantly, Pyongyang backed Peking in its border dispute with Moscow by taking the unusual step of republishing on 1 August excerpts from a shrill anti-Soviet article by the Chinese Defense Minister that blamed the Soviet Union for fanning tensions along the frontier.

The Soviet Union moved quickly to signal its displeasure with North Korea's more pronounced tilt toward China. The Soviets dispatched an unusually low-ranked representative to North Korea's important 30th anniversary celebrations. And Moscow not only granted a visa to a South Korean cabinet officer to attend an international conference in the USSR, but also admitted two South Korean correspondents to cover the event. The Soviet action is not unprecedented--Moscow has in the past granted visas to South Koreans to attend Soviet-sponsored conferences--but these were to lower-level functionaries. The invitations received heavy press play in Seoul, and China took pleasure in publicly noting the latest uncomradely Soviet actions.

The Japanese Factor

Relations between Tokyo and Seoul have been gradually improving in the past few years, and the Japanese are continuing to spotlight their ties with South Korea. Since the announcement of the US decision to withdraw its ground forces from the peninsula, Tokyo has repeatedly told Seoul that it would convey to the US the two nations' shared concerns over South Korean security. The South Koreans have responded by publicly endorsing the recently concluded Sino-Japanese Peace and Friendship Treaty and by adopting a more cooperative attitude toward territorial problems that have been sources of friction in the past.

Prime Minister Fukuda's latest initiative--the public announcement of his desire for a meeting with President Pak--

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1

is another move designed to warm relations. Fukuda, who is considering meeting with Pak around the end of the year, probably hopes to assuage the conservative, pro-South Korean elements in his own party who have been critical of the recent conclusion of the Peace and Friendship Treaty with China.

Given Tokyo's emphasis on improving relations with Seoul, the Japanese are unlikely to explore political contacts with North Korea for the time being. Although Fukuda and other government leaders believe that Tokyo has a diplomatic role to play in searching for a more stable political environment on the peninsula, they will remain attuned to South Korean interests. Tokyo, for instance, is likely to respond positively to Seoul's private suggestions that the Japanese use their good offices to investigate the chances for South Korean contacts with Peking and Moscow.

None of these developments appears to herald fundamental change in the major powers' tacit support for the status quo on the Korean peninsula. Pyongyang's more pronounced tilt toward Peking followed by Soviet gestures toward Seoul is a pattern that has been noted before. We anticipate that North Korea will eventually seek to improve its relations with the USSR. Kim Il-song knows that China cannot supply the kinds of sophisticated military hardware or the massive economic assistance that the Soviet Union is capable of providing.

The US Withdrawal

The key element of change on the Korean peninsula is the US decision to remove its ground combat forces from South Korea. The partial and phased nature of the withdrawal, the efforts to enhance South Korea's capability to defend itself, and the reaffirmation of the US security commitment to Seoul have helped soften the impact of the decision to withdraw. Nevertheless, the presence of US ground troops near the Demilitarized Zone has long been regarded as the most credible manifestation of US resolve

25X1

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3
25X1

to stand behind its South Korean ally.

Kim Il-song has publicly criticized the US withdrawal as incomplete and too protracted. Nevertheless, Pyongyang has moderated its criticism of the US, and it has generally avoided the kind of tension-building incidents that have frequently marred the truce along the Demilitarized Zone. Pyongyang's relative restraint seems to reflect Kim's desire to avoid actions that might slow down or reverse the withdrawal, at least in its initial phases. Two notable exceptions are North Korea's continued efforts to infiltrate political agents and small armed reconnaissance teams into the South and its persistant attempts to construct tunnels under the Demilitarized Zone.

North Korea will be watching closely the reaction in Moscow and Peking as the US moves ahead on ground force withdrawals. Kim Il-song knows that the interests of the major powers intersect in the Korean peninsula in important ways. He recognizes that Chinese and Soviet support for his course is constrained by the desire of both to avoid complicating their relations with the US and Japan. He will be looking for signs that, as the withdrawal proceeds, his allies might be more inclined to increase their support or at least lower their commitment to stability on the peninsula.

In keeping with their generally low-key approach to the Korean question, the Soviets and Chinese have not commented extensively on the US troop withdrawal plan or the recent revision of its first phase. In their public reaction they have emphasized that the retention of US air power in South Korea means there is no real change in the situation. This emphasis on the status quo seems to reflect their concern that the withdrawal be accomplished in a manner that does not disrupt the basic political and military balance on the peninsula.

Kim will almost certainly press Moscow and Peking for increased military assistance in the event that US force reductions are accompanied by a substantial upgrading of South Korean military capabilities. This pressure will be difficult to resist, especially if Kim can present a

25X1 Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

convincing case that the US assistance package poses a significant threat to North Korea. Given the pattern of Soviet and Chinese restraint in shipping arms in recent years and the strategic equities involved, neither ally is likely to respond to requests for offsetting aid in a manner that would upset the military equilibrium in the region.

Looking to the future, it is possible that North Korea's financial plight, in combination with the continued strengthening of South Korea's economic and military power, might prompt Kim at some point to abandon his efforts to maintain a balance in his ties with Moscow and Peking. Kim might even consider aligning his country with one or the other in order to extract maximum support and assistance. In such a move, however, he would risk having to bow to outside influence and control--an outcome that Kim has long struggled to avoid.

Kim would probably take this step only as a last resort and only after other alternatives had been explored. North Korea continues to attempt to foster political and economic contacts with the non-Communist world, and it displays scant concern for the sensitivities of its major Communist allies--as demonstrated most recently by its unilateral declaration of a 50-mile coastal security zone.

Although China and the USSR have indicated their lack of enthusiasm for Kim Il-song's reunification efforts, their rivalry limits the extent to which either is prepared to restrain the North Korean leader. On the diplomatic front, for example, neither has been willing to push Kim in directions he does not want want to go. They have made clear that their participation in multilateral talks on the future of the Korean peninsula will be subject to North Korea's acceptance.

Over the years, nevertheless, Pyongyang has exhibited great concern over the possibility of a Korean settlement imposed by the major powers--as is evident in Pyongyang's intense attacks on various proposals for "two Koreas" and for "cross recognition." Recent events unquestionably

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3

25X1

have magnified these worries. Last December visiting East German leader Honecker, acting at Soviet behest, lectured Kim on the applicability of a two Germanies solution for Korea. Early this year the Western press played up Ambassador Woodcock's remarks about the shared interests between the US and China and China's potential role in maintaining stability in Northeast Asia. President Tito's proposal in March for tripartite talks on Korea, with the Pak government as a full participant, received widespread media attention--except in Pyongyang, where it was greeted with stony silence.

Lastly, North Korea almost surely views with apprehension the recent conclusion of the Sino-Japanese Peace and Friendship Treaty. Given Japan's close ties with North Korea's southern adversary, Pyongyang probably sees more potential for harm than good coming out of such a treaty. During his recent visit to Tokyo, Chinese leader Teng Hsiao-ping seemed to go out of his way to assuage North Korea's concerns. 25X1

1,4

25X1 [redacted] Teng hewed closely to Pyongyang's position that a pullout of US forces is a necessary precondition for a resumption of the political dialogue between the North and South.

Significantly the treaty comes at a time when Pyongyang finds itself even more dependent on Chinese assistance. Indeed, China's generosity may have been the price it had to pay to ensure that Pyongyang's unease about the treaty would remain private and circumspect.

1

25X1

[redacted]

Approved For Release 2006/05/25 : CIA-RDP80T00634A000400010045-3